



**U.S. Department of Justice**

*United States Attorney  
Eastern District of New York*

ALB:CPK:BTR  
F. #2016R01831

*610 Federal Plaza  
Central Islip, New York 11722*

October 10, 2019

By ECF

The Honorable Joan M. Azrack  
United States District Judge  
United States District Court  
920 Federal Plaza  
Central Islip, New York 11722

Re: United States v. Enayatullah Khwaja , et al  
Docket No. 18-CR-607 (JMA)

Dear Judge Azrack:

The government respectfully submits this letter in response to the letter dated September 24, 2019 from counsel for Abdulrahman Khwaja ("Sept. 24 Ltr"). That letter asks the Court to "direct the government to search its files relating to the CBP Examination of ISK and Solid Wireless for any evidence of the trade discrepancy described in paragraph 26(a) of the government's application for search warrants dated November 13, 2018." Sept. 24 Ltr at 2. The government does not view this request as proper discovery because defense counsel should review the discovery production on its own for whatever information it wishes and fine tune its forthcoming motions accordingly. Nevertheless, in an attempt to streamline motion practice and reduce the burden on the Court, the government will address below the two sentence quote from the search warrant affidavit presented in the Sept. 24 Ltr.

As to the second sentence that states "Undervaluation is a common TBML technique," that sentence is the affiant's statement and has no source document. As to the first sentence, "From April 13, 2017 to June 2, 2017, ISK shows a trade discrepancy, i.e., exports appear to be under-valued by approximately \$400,000 which means the value attributed to the exports shipped was far less than the amount paid for the exports by the KHWAJA COMPANIES, based on purchase records for this same period." That sentence is based on a document produced under cover letter of January 29, 2019 to defendants being a September 22, 2017 Memorandum to the affiant from the CBP Field Director of the Office of Trade – Regulatory Audit which office conducted the CBP Non-Audit Service. This Memorandum was contained in the folder on the hard drive produced which was entitled "CP Regulatory Audit." Under the Section of the Memorandum entitled "Other Matters To

Consider for TBML,” the Memorandum states, in part regarding Purchase and Sales Activity, “The purchase report had 57 purchases for \$7,166,789.50 in the gap. Based on the initial filing dates from April 13, to June 2, 2017 in AES for the gap, we identified ISK exported 49 shipments for \$6,780,580. The resulting discrepancy was \$386,209.50 (\$7,166,789.50 - \$6,780,580), which we identified as a potential undervaluation or an amount laundered into the United States.” A footnote to the end of that sentence states “The discrepancy is an estimate and not based on audited financial statements.”

Respectfully submitted,

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